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UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

In re:

SEARS HOLDINGS CORPORATION, et al.,

Debtors.

Chapter 11

Case No.: 18-23538 (RDD)

(Jointly Administered)

**U.S. BANK NATIONAL ASSOCIATION d/b/a U.S. BANK EQUIPMENT FINANCE'S
LIMITED OBJECTION AND RESERVATION OF RIGHTS TO DEBTORS' GLOBAL
ASSET SALE TRANSACTION AND NOTICE OF CURE COSTS AND POTENTIAL
ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND
UNEXPIRED LEASES IN CONNECTION WITH GLOBAL SALE TRANSACTION**

U.S. Bank National Association d/b/a U.S. Bank Equipment Finance (U.S. Bank), by its undersigned counsel respectfully submits this limited objection to, and reservation of rights concerning, (1) approval of the Global Asset Sale Transaction and Asset Purchase Agreement as noticed, defined and attached as an exhibit to the Notice of Successful Bidder and Sale Hearing [ECF 1730], and (2) the proposed Cure Costs and Adequate Assurance as provided in the Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in connection with the Global Sale Transaction [ECF 1731] filed by Debtor, and U.S. Bank states as follows:

1. On or about October 15, 2018 (the "Petition Date"), Debtor filed voluntary petitions under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") with this Court.

2. The Debtor is operating its business as debtor-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

3. As of approximately June 15, 2012, U.S. Bank on the one hand, and Sears Home and Business Franchises, Inc. and its assignors and/or subsidiaries on the other hand, entered into a certain Master Lease Agreement dated December 7, 2015 and Master Lease dated February 9, 2017 (the “Agreements”).

4. Pursuant to the Agreements, U.S. Bank leased equipment to said Debtor in exchange for monthly rental payments.

5. Pursuant to the Agreements, U.S. Bank holds title to the equipment which is the subject of the Agreements.

6. Debtor does not appear to have assumed the Agreements based on the schedules filed to date. To the extent Debtor does attempt to assume and assign the Agreements, then U.S. Bank objects to the assumption and assignment unless Debtor fully cures all defaults under the Agreements. To the extent Debtor does not assume and assign the Agreements, then U.S. Bank demands that Debtor return all of the subject equipment.

7. U.S. Bank objects to the Global Asset Sale transaction and Asset Purchase Agreement to the extent Debtor purports to transfer any of U.S. Bank’s equipment in violation of the Agreements.

8. U.S. Bank reserves all of its rights and remedies under the Agreements and its associated UCC-1 Financing Statements.

9. U.S. Bank reserves all of its rights, claims, defenses, and remedies, including, without limitation, the right to amend, modify, supplement or withdraw this Limited Objection, to seek discovery, and to raise additional objections during or prior to the hearing.

10. U.S. Bank further reserves its rights, without limitation, (a) to have final orders entered only after *de novo* review by a District Court Judge, (b) to trial by jury in any proceeding so triable in these Cases or any case, controversy or proceeding related to these Cases; (c) to have the District Court withdraw the reference in any matter subject to mandatory or discretionary withdrawal or (d) to any other rights, claims, actions, setoffs or recoupments to which U.S. Bank is or may be entitled, in law or in equity.

CONCLUSION

WHEREFORE, U.S. Bank objects on a limited basis to the Global Asset Sale Transaction and Asset Purchase Agreement to the extent Debtor purports to transfer any of U.S. Bank's equipment in violation of the Agreements, and U.S. Bank otherwise reserves all of its rights and remedies under the Agreements, at law, or in equity.

Dated: January 29, 2019
Brooklyn, New York

Respectfully submitted,

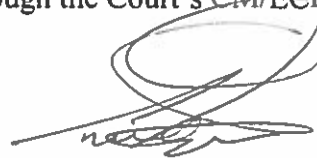
By:


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Certification of Service

I hereby certify that on January 29, 2019, a copy of the within Limited Objection and Reservation of Rights will be sent by email to all parties by operation of the Court's electronic filing system or by mail to anyone unable to accept electronic filing as indicated on the Notice of Electronic Filing. Parties may access this filing through the Court's CM/ECF System.

A handwritten signature in black ink, appearing to read 'Charles A. Gruen', is written over a horizontal line.

Charles A. Gruen